

### **REMARKS/ARGUMENTS**

Claims 1 – 3 are currently pending in the application and are presented for reconsideration and further examination in view of the foregoing amendments and the following remarks.

In the outstanding Office Action, claims 1 – 3 were rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 6,073,123 to Staley (hereinafter referred to as “the Staley ‘123 patent”).

By this Response claims 1 – 3 have been amended and the prior art rejection has been traversed.

Support for the amendments to the “encryption block” feature of claim 1 and the “acceptor” feature of claim 2 can be found in paragraph 0033 of the published patent application. Support for the amendments to the “fourth control word” of claim 3 can be found in paragraphs 0049 – 0051 of the published patent application. It is respectfully submitted that the within amendments introduce no new matter within the meaning of 35 U.S.C. §132.

### **Rejection under 35 U.S.C. § 102(b)**

The Examiner rejected claims 1 – 3 as being anticipated by the Staley ‘123 patent.

### **Response**

Applicant respectfully traverses the Examiner’s rejection since all of the features of the presently claimed invention are not disclosed, taught or suggested by the cited prior art. The test for anticipation under section 102 is whether each and every element as set forth in the claim is found, either expressly or inherently in a single prior art reference. *Verdegaal Bros. v. Union Oil Co. of California*, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987); MPEP §2131.

**1. “Control Word”**

**a. Claim 1**

Among other things, amended independent claim 1 recites “a second control word for scrambling the first digital *data and representing a number of times said first digital data has been reproduced.*”

In contrast to amended independent claim 1, the Staley ‘123 patent does not disclose, teach or suggest “a second control word for scrambling the first digital data and representing a number of times said first digital data has been reproduced” as recited in amended independent claim 1. The Staley ‘123 patent discloses a method of detecting unauthorized copies of software. The method includes assigning license numbers to copies of software and maintaining a history of which license numbers have been assigned to copies of the software. However, the Staley ‘123 patent is silent with respect to using a “control word” to scramble data and represent the number of copies made. Even assuming *arguendo* that tracking the amount of license numbers assigned to copies of software is analogous to “representing a number of times said first digital data has been reproduced,” the Staley ‘123 patent is still silent with respect to a second control word that both scrambles digital data and *represents a number* of times the digital data has been reproduced. In fact, the Staley ‘123 patent does not disclose, teach or suggest a control word of any kind. Since the Staley ‘123 patent does not disclose, teach or suggest a second control word as recited in claim 1, the Staley ‘123 patent does not anticipate claim 1 for at least this reason.

Accordingly Applicant respectfully requests that the Examiner reconsider and withdraw the rejection.

**b. Claim 2**

Amended independent claim 2 recites a “first control word... being an identifier of said allowable number k of reproductions...” and “a third control word... representing a remaining number of allowable reproductions of said second digital data.”

In contrast to claim 2, the Staley ‘123 patent does not disclose, teach or suggest a “first control word... being an identifier of said allowable number of k reproductions...,” nor does the Staley ‘123 patent disclose, teach or suggest “a third control word... representing a “remaining number of allowable reproductions...” as recited in claim 2. In fact, the Staley ‘123 patent does not disclose, teach or suggest a control word of any kind. The Staley ‘123 patent discloses a method of tracking the amount licenses used and the identification number of each used license and also discloses a method of tracking the next license to be applied to copied software. However, these licenses do not amount to control words that represent a “*number* of allowable reproductions” and a “remaining *number* of allowable reproductions” as in the presently claimed invention. Thus, the presently claimed invention is not anticipated by the cited prior art for at least this additional reason.

Accordingly Applicant respectfully requests that the Examiner reconsider and withdraw the rejection.

**2. “One-Way Function”**

Amended independent claim 1 also recites “an encryption block... *applying a one-way function* to the first control word a number of times corresponding to the allowable number of reproductions to generate a second control word;” and amended independent claim 2

recites “an acceptor... using a second control word having been generated *by applying a one-way function* to the first control word k times.” The feature of claims 1 and 2 resides in that a second control word is generated by applying a one-way function to a first control word a number of times corresponding to the allowable number of reproduction.

The Examiner copied claims 1 – 3 into the Office Action and stated that claims 1 – 3 are taught by column 2, line 45 to column 9, line 6 of Staley. However, Staley actually teaches that each copy of a software is managed with license numbers, each copy is treated as a session and each session is assigned with a random session stamp, a stamp history (stamp history 100 in FIG. 1) is kept in each copy, and a stamp history database (SHD) including the stamp history is maintained in the software copy. The Examiner stated that Abstract, figures 1 – 4 and accompanying descriptions disclose the feature recited in the preamble of the present claim 1.

In contrast to the presently claimed invention, the Staley ‘123 patent does not disclose, teach or suggest the “master digital data creation device” of claim 1 and the “digital data reproduction device” of claim 2. This is because the Staley ‘123 patent is silent with respect to “*applying a one-way function* to the first control word” as recited in independent claims 1 and 2. It seems that the Examiner asserted that the relation between copying a software plural times and a stamp history corresponds to “applying a one-way function to a first control word a number of times corresponding to the allowable number of reproduction” of the presently claimed invention. The Applicant respectfully submits, however, that the Examiner misinterprets the relationship between the presently claimed invention and the Staley ‘123 patent.

It is not “the number of copies” but “the number of digital data reproductions” that the presently claimed invention refers to. The Staley ‘123 patent fails to disclose, teach or suggest

applying a one-way function to a control word. If the Examiner persists that the Staley '123 patent teaches it, the Applicant respectfully requests that the Examiner show detailed portions in the Staley '123 patent more specifically without being based on such a wide ranged portion as column 2, line 45 to column 9, line 6. Neither the phrase "control word" nor the phrase "one-way function" appears in the Staley '123 patent.

Moreover, it is submitted that the rejection of dependent claim 3 under 35 USC § 102(b) should be withdrawn *inter alia*, as it depends on claim 2, and for at least the reasons discussed above with reference to claim 2.

Accordingly, Applicant respectfully requests that the Examiner reconsider and withdraw the rejection.

### CONCLUSION

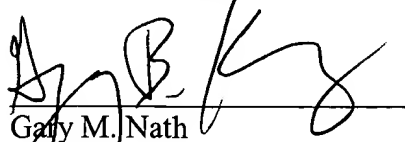
In light of the foregoing, Applicant submits that the application is now in condition for allowance. If the Examiner believes the application is not in condition for allowance, Applicant respectfully requests that the Examiner contact the undersigned attorney if it is believed that such contact will expedite the prosecution of the application. Favorable action with an early allowance of the claims is earnestly solicited.

In the event this paper is not timely filed, Applicants petition for an appropriate extension of time. Please charge any fee deficiency or credit any overpayment to Deposit Account No. 14-0112.

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Respectfully submitted,  
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A handwritten signature in black ink, appearing to read 'Gary M. Nath', is written over a horizontal line.

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